

Agency Summary
Police Officers' and Fire Fighters' Retirement System (FD0)
FY 2004 Recommended Baseline Budget

Fund Type	(A) Proposed 2003 Original Budget	(B) Approved 2003 Budget	(C) Agency 2004 Request	(D) OBP Baseline Scrubs	(E) Agency Appeals	(F) OBP Centralized Adjustments	(G) OBP Recommended Baseline	(H) Spending Preliminary	(I) = (G) + (H) Total Proposed Budget
Non Personal Services	68,900,000	68,900,000	68,900,000	27,300,000	0	0	96,200,000	0	96,200,000
Local Fund	68,900,000	68,900,000	68,900,000	27,300,000	0	0	96,200,000	0	96,200,000
Total for NPS	68,900,000	68,900,000	68,900,000	27,300,000	0	0	96,200,000	0	96,200,000
Gross Total	68,900,000	68,900,000	68,900,000	27,300,000	0	0	96,200,000	0	96,200,000
FULL TIME EQUIVALENTS									
Local Fund	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
TOTAL	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

Revised Budget Recommendation

SUMMARY:

OBP recommends a funding level of \$96,200,000 for the Police and Fire Retirement System in FY 2004. This includes a contribution of \$70.4 million for the police retirement system and \$25.8 million for the fire retirement system based on the most current estimates provided by the DC Retirement Board. Final confirmation of the amounts must be received in the form of the actuarial certification to be forwarded by the DC Retirement Board. This amount represents an increase of \$27,300,000, or 39.62 percent, over the FY 2003 approved budget of \$68,900,000. The major adjustments included in the OBP recommendation are outlined below:

OBP SCRUB:

A decrease of \$4,200,000 to the initial estimated contribution level was made on the basis of the DC Retirement Board's certification of a revised contribution amount on February 24, 2003.

OBP CENTRALIZED ADJUSTMENTS:

There were no centralized adjustments made to this agency.

APPEAL:

The agency did not submit an appeal to the OBP preliminary budget recommendation.

Preliminary Budget Recommendation

The fund requires a contribution of \$100,400,000 in FY 2004, a \$31,500,000 increase over the FY 2003 Proposed level of \$68,900,000. This budget reflects the cost of the District's (employer) contribution to the Police Officers' and Firefighters' Retirement System pension fund, which is administered by the District of Columbia Retirement Board.

Major factors contributing to the significant increase include the impact of collective bargaining unit salary increases, revised actuarial assumptions, and a decline in retirement plan investment performance due to the national economic downturn. The funding requirement is based on an uncertified preliminary estimate. OBP notes the FY 2004 contribution level is subject to adjustment pending final certification of the actuarial report.

The District's contribution amount is determined by an actuary who submits a certified report that is approved by the District of Columbia Retirement Board pursuant to DC Code Section 1-907.02. By law, the District must budget, at a minimum, the actuarially certified amount and transfer the funds to the Retirement Board within the prescribed guidelines.

As part of the 1997 National Capital Revitalization and Self-Government Improvement Act, the Federal government assumed the District's pension liability for employee service prior to June 30, 1997. The District is liable for all subsequent liability.

Baseline and Adjustments Agency by Fund and Object Class

FD0 POLICE OFFICERS' AND FIRE FIGHTERS' RETIREMENT SYSTEM

Fund 0100 Local Fund

Comptroller Source Group (Object Class)	(A) FY 2003 Approved	(B) Agency 2004 Request	(C) OBP Baseline Scrub	(D) Agency Appeals	(E) OBP Centralized Adjustments	(F) OBP Recommended Baseline	(G) Spending Pressures	(H) Target Adjustment	(I) Mayor's Adjustment	(J) Mayor's Proposed Budget	(K) Change from FY 03
0050 Subsidies And Transfers	68,900,000	68,900,000	27,300,000	0	0	96,200,000	0	0	0	96,200,000	27,300,000
Total: Non Personal Services	68,900,000	68,900,000	27,300,000	0	0	96,200,000	0	0	0	96,200,000	27,300,000
Fund Total 0100 Local Fund	68,900,000	68,900,000	27,300,000	0	0	96,200,000	0	0	0	96,200,000	27,300,000
Total for FD0 Police Officers and Fire Fg	68,900,000	68,900,000	27,300,000	0	0	96,200,000	0	0	0	96,200,000	27,300,000

Baseline and Adjustments Agency by Control Center, and Object Class

FD0 POLICE OFFICERS' AND FIRE FIGHTERS' RETIREMENT SYSTEM

Control Center 1000 POLICE / FIREFIGHTERS REITRMENT SYSTEM

Comptroller Source Group (Object Class 2)	(A)	(B)	(C)	(D)	(E)	(F) B+C+D+E	(G)	(H)	(I)	(J) F+G+H+I	(K) J-A
	FY 2003 Approved Budget	Agency 2004 Request	OBP Baseline Sub	Agency Appeals	OBP Centralized Adjustments	OBP Recommended Baseline	Spending Pressures	Target Adjustment	Mayors Adjustment	Mayors Proposed Budget	Change from FY 03
0050 Subsidies And Transfers	68,900,000	68,900,000	27,300,000	0	0	96,200,000	0	0	0	96,200,000	27,300,000
Total: Non Personal Services	68,900,000	68,900,000	27,300,000	0	0	96,200,000	0	0	0	96,200,000	27,300,000
Control Center 1000 POLICE / FIREFIGHTE	68,900,000	68,900,000	27,300,000	0	0	96,200,000	0	0	0	96,200,000	27,300,000
Total Police Officers' and Fire Fighters' Reti	68,900,000	68,900,000	27,300,000	0	0	96,200,000	0	0	0	96,200,000	27,300,000